

# CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Salisbury Bancorp, Inc

Point of Contact:	Richard J. Cantele	RSSD: (For Bank Holding Companies)	2693273
UST Sequence Number:	366	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	8,816,000	FDIC Certificate Number: (For Depository Institutions)	18467
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	March 13, 2009	City:	Lakeville
Date Repaid <sup>1</sup> :	N/A	State:	Connecticut

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

Our Company was able to increase lending as a result of the support provided by the CPP.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

The funds supported growth in the residential mortgage area (62%) , commercial (to include commercial mtg. , C&I , and SBA) (31%), and consumer loans (7%) of all new loans originated.

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☐ Increase securities purchased (ABS, MBS, etc.).

☒ Make other investments.

The Bank relocated a branch to a larger full service location as a result of the CPP support.

☐ Increase reserves for non-performing assets.

☒ Reduce borrowings.

The Bank significantly reduced its borrowings from the FHLB during the year

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☐ Increase charge-offs.

☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

The Company has thus far maintained the additional capital at the Holding Company level as the bank has been able to maintain "well-capitalized" status at the bank level without CPP funds.

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Although difficult to quantify, the bank has been able to avoid a curtailment of its lending programs which may have been necessitated in order to preserve risk-based capital levels. Also the company may have had to raise capital utilizing alternative methods which may have been more costly, or more risky.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

As mentioned previously, continued lending, new branch opening, and the purchase of a competitors branch may not have occurred had we not obtained this funding.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

N/A